

Message Text

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SUBJ: JOINT COLOMBIA/BRAZIL COMMUNIQUE ON COFFEE

1. AFTER A TWO-DAY VISIT TO BRAZIL -- AUGUST 1 AND 2 --
OF ARTURO GOMEZ JARAMILLO PRESIDENT OF COLOMBIA NATIONAL
COFFEE GROWERS FEDERATION, AN OFFICIAL JOINT COMMUNIQUE
WAS DISTRIBUTED TO THE PRESS BY THE BRAZILIAN MINISTRY
OF FOREIGN AFFAIRS. UNOFFICIAL ENGLISH TRANSLATION OF COMMUNIQUE
FOLLOWS:

QUOTE ON AUGUST 1 AND 2, THE DIRECTOR GENERAL OF COLOMBIA'S
NATIONAL COFFEE GROWERS FEDERATION, DR. ARTURO GOMEZ
JARAMILLO VISITED BRAZIL. IN BRASILIA, HE MET WITH MINISTERS
ANGELO CALMON DE SA OF INDUSTRY AND COMMERCE AND
ANTONIO AZEREDO DA SILVEIRA OF FOREIGN AFFAIRS. ON
AUGUST 2, HE WAS HONORED BY A LUNCHEON OFFERED BY
MINISTER CALMON DE SA. THE BRAZILIAN MINISTERS OF
FOREIGN AFFAIRS, FINANCE AND AGRICULTURE WERE INVITED
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TO THAT LUNCHEON.

2.DURING THE MEETINGS WITH DR. CAMILLO CALAZANS DE
MAGALHAES, PRESIDENT OF THE BRAZIL COFFEE INSTITUTE
(IBC), THE OFFICIALS OF THE TWO MAJOR COFFEE
PRODUCING COUNTRIES, RESPONSIBLE FOR THEIR COUNTRIES'
COFFEE MARKETING POLICIES, REVIEWED THE INTERNATIONAL

MARKET SITUATION. THEY AGREED THAT THE FALL OF PRICES OBSERVED DURING THE LAST WEEKS WAS ESSENTIALLY DUE TO NORMAL BUYERS' WITHDRAWAL DURING THE NORTHERN HEMISPHERE SUMMER SEASON. THE SITUATION IS WORSENERD BY THE FACT THAT CONSUMERS ARE NOW HOLDING SATISFACTORY STOCKS AND BY THE CONCURRENCE OF SPECULATIVE DOWNWARD PRESSURE IN THE LONDON AND THE NEW YORK COMMODITY EXCHANGES. ANALYZING THE WORLD'S STATISTICAL SITUATION FOR THE NEXT MONTHS, MARKED BY VIRTUAL DEPLETION OF BRAZILIAN GOVERNMENT STOCKS, THE TWO OFFICIALS REACHED THE CONCLUSION THAT INTERNATIONAL COFFEE QUOTATIONS SHOULD REACT SIGNIFICANTLY FROM THE MOMENT THAT CONSUMING COUNTRIES' ROASTERS, PRESENTLY OUT OF THE MARKET, RESUME THEIR NORMAL BUYING ACTIVITIES.

3. THE PRESIDENT OF IBC GAVE APPROPRIATE INFORMATION REGARDING THE PLAN FOR THE RECOVERY OF BRAZILIAN COFFEE TREES DAMAGED BY THE DISASTROUS 1975 FREEZE. HE SAID THAT THE EVOLUTION OF THIS PLAN HAS FOLLOWED THE GOVERNMENT'S ORIGINAL GUIDELINES. MOREOVER, HE GAVE A DETAILED EXPLANATION REGARDING THE SYSTEM TO GUARANTEE THE SUPPLY OF COFFE TO THE DOMESTIC MARKET, ESTABLISHED SINCE JULY 1, THROUGH WHICH BRAZILIAN EXPORTERS MAY SELL TWO BAGS TO THE FOREIGN MARKET FOR EACH BAG SOLD TO DOMESTIC ROASTERS. DR. CALAZANS CONFIRMED THE BRAZILIAN GOVERNMENT INTENTION TO FOLLOW UNCLASSIFIED

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STRICTLY THIS ALLOTMENT SCHEME FOR BRAZILIAN EXPORTS, UNDER WHICH THE SALES OF GREEN COFFEE BEANS TO FOREIGN MARKETS DURING THE COMING TWELVE MONTHS PERIOD CAN IN NO WAY EXCEED A MONTHLY AVERAGE OF 800 THOUSAND BAGS. HE ALSO EXPLAINED THAT BRAZIL COULD MORE STRONGLY RESTRICT ITS EXPORTS IN CASE THE WORLD MARKET DID NOT SUPPORT A LARGE VOLUME OF COFFEE, ESPECIALLY BECAUSE THE BRAZILIAN GOVERNMENT HAS AN INTEREST IN MAINTAINING STRATEGIC RESERVES IN THE ASE OF EVENTUAL FROST DURING THE NEXT TWO OR THREE YEARS.

4. THE TWO OFFICIALS ALSO CONSIDERED THAT IT WOULD BE USEFUL TO CARRY OUT A STUDY OF THE INTERNATIONAL COFFEE SITUATION WITH OTHER COFFEE PRODUCING COUNTRIES IN LATIN AMERICA, AFRICA AND ASIA, AIMING AT INDUSRING AN ORDERLY SUPPLY TO THE MARKET AND MAINTAINING PRICES AT A LEVEL CONSISTENT WITH THE WORLD STATISTICAL SITUATION.

5. FINALLY, THE PRESIDENT OF IBC AND THE DIRECTOR GENERAL OF FEDERACAFE EXAMINED VARIOUS QUESTIONS THAT SHOULD BE DISCUSSED DURING THE NEXT MEETINGS OF THE INTERNATIONAL

COFFEE ORGANIZATIONS, NOTING ALSO GREAT SIMILARITY
BETWEEN THE VIEWS OF BRAZIL AND COLOMBIA. UNQUOTE
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